

**THE WOODLANDS TOWNSHIP
BOARD OF DIRECTORS
SPECIAL BOARD MEETING**

JUNE 1, 2011

MINUTES

THE STATE OF TEXAS §

COUNTIES OF HARRIS & MONTGOMERY §

The Board of Directors of The Woodlands Township met in special session, open to the public, on June 1, 2011, posted to begin at 9:00 a.m. The meeting was held in a meeting room at the office of The Woodlands Township, Board Chambers, 10001 Woodloch Forest Drive, Suite 600, The Woodlands, Texas, within the boundaries of The Woodlands Township.

DIRECTORS PRESENT: Chairman Bruce Tough, Vice Chairman Lloyd Matthews, Secretary Claude Hunter, Treasurer Ed Robb, Director Tom Campbell, and Director Peggy Hausman

DIRECTORS ABSENT: Director Nelda Blair

STAFF/ADVISORS: Don Norrell, President/General Manager, John Powers, Assistant General Manager Community Services, Monique Sharp, Assistant General Manager of Finance & Administration, Susan Welbes, Director of Human Resources, Nick Wolda, Director of Community Relations/CVB President, Miles McKinney, Legislative Affairs & Transportation Manager, Karen Dempsey, Management Analyst, Mary Connell, Community Relations Manager, Mike Page, Legal Counsel

PLEDGE OF ALLEGIANCE:

Chairman Tough invited all in attendance to recite the Pledge of Allegiance to the United States flag and the Texas State flag.

CALL TO ORDER:

Chairman Tough called the meeting to order at 9:05 a.m. and declared that notice of this meeting was posted 72 hours in advance at the Courthouses of Montgomery and Harris Counties and inside the boundaries of The Woodlands Township at the office building located at 10001 Woodloch Forest Drive, The Woodlands, Texas. As there was a quorum of members present, the Board proceeded to conduct business regarding the following matters.

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CONSIDER AND ACT UPON ADOPTION OF MEETING AGENDA;

Chairman Tough called for a motion and second to adopt the meeting agenda.

MOTION: Motion as stated by Secretary Hunter; second by Director Campbell

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Campbell
 Director Hausman

Nays: None

Abstentions: None

Absent: Director Blair

ACTION: Motion passed unanimously (6-0).

RECOGNIZE PUBLIC OFFICIALS;

Chairman Tough recognized Montgomery County Judge Alan B. "Barb" Sadler.

PUBLIC COMMENT;

- Tom Sifferman commented on election issues (robo calls, term limits, limits on spending)

The Public Comment Roster is attached hereto as Exhibit "A".

RECEIVE, CONSIDER AND ACT UPON APPROVING THE FORMS OF THE OATHS OF OFFICE, OFFICIAL BONDS AND STATEMENTS OF ELECTED/APPOINTED OFFICERS FOR NEWLY ELECTED DIRECTORS OF THE WOODLANDS TOWNSHIP;

Chairman Tough called on Mike Page to present this item. Following Mr. Page's remarks, the Chair called for a motion and second to approve the forms of the Oaths of Office and Bonds for newly elected Directors.

MOTION: Motion as stated by Vice Chairman Matthews; second by Secretary Hunter

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Campbell
 Director Hausman

Nays: None

Abstentions: None

Absent: Director Blair

ACTION: Motion passed unanimously (6-0).

ADMINISTER THE OATHS OF OFFICE TO NEWLY ELECTED DIRECTORS OF THE WOODLANDS TOWNSHIP;

Montgomery County Judge Alan B. Sadler administered the Oath of Office to Peggy S. Hausman and Bruce Tough, newly elected Directors to The Woodlands Township Board of Directors. Nelda Luce Blair was not present.

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RECEIVE, CONSIDER AND ACT UPON THE APPOINTMENT OF NEWLY ELECTED DIRECTORS TO THE WOODLANDS TOWNSHIP ECONOMIC DEVELOPMENT ZONE BOARD OF DIRECTORS;

Chairman Tough called for a motion and second to appoint newly elected Directors Nelda Luce Blair, Peggy S. Hausman and Bruce Tough to the Board of Directors for The Woodlands Township Economic Development Zone.

MOTION: Motion as stated by Secretary Hunter; second by Treasurer Robb

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Campbell
 Director Hausman

Nays: None

Abstentions: None

Absent: Director Blair

ACTION: Motion passed unanimously (6-0).

RECEIVE, CONSIDER AND ACT UPON THE APPOINTMENT OF NEWLY ELECTED DIRECTOR TO THE WOODLANDS FIRE DEPARTMENT BOARD OF DIRECTORS;

Chairman Tough called for a motion and second to appoint newly elected Directors Nelda Luce Blair, Peggy S. Hausman and Bruce Tough to the Board of Directors for The Woodlands Fire Department.

MOTION: Motion as stated by Treasurer Robb; second by Secretary Hunter

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Campbell
 Director Hausman

Nays: None

Abstentions: None

Absent: Director Blair

ACTION: Motion passed unanimously (6-0).

RECEIVE, CONSIDER AND ACT UPON ELECTION OF OFFICERS OF THE BOARD OF DIRECTORS OF THE WOODLANDS TOWNSHIP;

Karen Dempsey was called on to explain the election process. Following Ms. Dempsey explanation, Chairman Tough brought forth two points of information and possible motions for the Board's consideration.

First, Chairman Tough asked the Board to consider a change in the previous election policy from plurality vote to majority vote in keeping with the requirements of The Woodlands Township's enabling legislation. Mike Page was called on to provide clarification on this item. Mr. Page explained that the statute says all actions of the Board are to be done by majority vote of the entire Board, not plurality or majority vote of those Board members present. Following Mr. Page's comments, Chairman Tough called for a motion and second to change the previous election policy from plurality vote to majority vote in keeping with the requirements of The Woodlands Township's enabling legislation.

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MOTION: Motion as stated by Secretary Hunter; second by Treasurer Robb

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Campbell
 Director Hausman

Nays: None

Abstentions: None

Absent: Director Blair

ACTION: Motion passed unanimously (6-0).

Chairman Tough then proposed changing the officer elections to include six officer positions with the immediate past Chair to hold no officer position. The officer positions would be:

- Chairman
- Vice Chairman
- Second Vice Chairman
- Secretary
- Treasurer
- Assistant Treasurer

MOTION: Motion by Secretary Hunter to include six officer positions, as listed above, with the immediate past Chair to hold no officer position; no second was offered

ACTION: Motion died due to lack of a second.

SECOND MOTION: Secretary Hunter then moved to have two Vice Chair positions; no second was offered

ACTION: Motion died due to lack of a second.

ELECTION OF OFFICERS:

Chairman: Ballots were distributed with the names of two nominees, Bruce Tough and Peggy Hausman, on the pre-printed ballots. No nominations were received from the floor. Statements from the nominees or by another Board member on behalf of a nominee(s) were taken at this time. Next, Board members were instructed to vote and sign their ballot. Ballots were collected and then tallied by Don Norrell. Chairman Tough reported the vote for Chairman as follows: **Bruce Tough-4 votes; Peggy Hausman-2 votes.** Bruce Tough was elected to serve as Chairman of The Woodlands Township Board of Directors by a vote of 4-2.

Ballots and tally sheet for the Chairman position are attached hereto as Exhibit "B".

Vice Chairman: Ballots were distributed with the names of two nominees, Lloyd Matthews and Tom Campbell, on the pre-printed ballots. Nominations were then taken from the floor. Claude Hunter nominated himself for the position of Vice Chairman. Board members were instructed to write-in Mr. Hunter's name on their ballot form. Statements from the nominees or by another Board member on behalf of a nominee(s) were taken at this time. Next, Board members were instructed to vote and sign their ballot. Ballots were collected and then tallied by Don Norrell. Chairman Tough reported the vote for Vice Chairman as follows: **Lloyd Matthews-3 votes; Tom Campbell-2 votes; Claude Hunter-1 vote.** As no nominee received a majority of the votes, a re-vote was taken. The outcome of the re-vote, as reported by Chairman Tough, was as follows: **Lloyd Matthews-3 votes; Tom Campbell- 3 votes.** However, it should be noted that two ballots were not signed. Accordingly, the re-vote should reflect the

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following vote: **Lloyd Matthews-2 votes; Tom Campbell-2 votes.** In both cases, neither nominee received a majority of the votes.

MOTION: Secretary Hunter moved to have two Vice Chair positions; no second was offered

ACTION: Motion died due to lack of a second.

Chairman Tough then polled the members of the Board to determine if there would be any probability of a vote change. There was no change.

Chairman Tough then suggested that a special meeting of the Board be scheduled, with all members in attendance, in order to elect officer position(s) that did not receive a majority vote. Mike Page, legal counsel, was called on to address two issues: (1) What happens when the Board cannot select a new officer position? (2) What happens regarding the order of succession and continuity of officer position(s)? Mr. Page stated that when there is an existing officer in place then the current officer remains in place until a successor is elected as there is not a vacancy in position. This would resolve both issues. Chairman Tough then informed the Board that a poll would be conducted following the meeting to determine a date and time to hold a special meeting of the entire Board for the election of remaining officer position(s).

Ballots and tally sheet for the Vice Chairman position are attached hereto as Exhibit "C".

Secretary: Ballots were distributed with the name of one nominee, Claude Hunter, on the pre-printed ballots. Nominations were then taken from the floor. No nominations were received from the floor. Next, Board members were instructed to vote and sign their ballot. Ballots were collected and then tallied by Don Norrell. The Chair then informed the Board of the need for a re-vote as some ballots were not signed or checked.

Chairman Tough called a brief recess at this point in order to review ballots for the Vice Chair and Secretary positions. The Chair noted that one ballot for the Vice Chair position had been signed and a write-in nominee included on the ballot, but the box next to the write-in nominee had not been checked. After inquiring, it was determined that the Board member did intend to vote for the write-in nominee. The Board member, Ed Robb, was allowed to correct his ballot.

The Chair also reported that some ballots for the Secretary position had not been checked. The first set of ballots for the Secretary position was voided and a re-vote was then taken. Mr. Norrell clarified that if the box next to a nominee's name was not checked, it would be considered a "no" vote. Board members re-voted and then the ballots were collected and tallied by Don Norrell. The outcome of the re-vote was as follows: **Claude Hunter-5 votes; one "no" vote.** Claude Hunter was elected to serve as Secretary of The Woodlands Township Board of Directors by a vote of 5-1.

Ballots and tally sheet for the Secretary position are attached hereto as Exhibit "D".

Treasurer: Ballots were distributed with the names of two nominees, Ed Robb and Tom Campbell, on the pre-printed ballots. Nominations were then taken from the floor. There were no nominations from the floor. Next, Board members were instructed to vote and sign their ballot. Ballots were collected and then tallied by Don Norrell. The Chair reported the vote as follows: **Ed Robb-3 votes; Tom Campbell-3 votes.**

MOTION: Secretary Hunter moved to have two Treasurer positions (Treasurer and Assistant Treasurer); no second was offered

ACTION: Motion died due to lack of a second.

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As neither nominee received a majority of the votes, Chairman Tough then polled the Board to determine if there was likelihood that a Board member would change his/her vote. The vote count remained unchanged. Chairman Tough then informed the Board that a special meeting of the entire Board would be held after polling all Directors to determine their availability for the purpose of electing a Vice Chair and Treasurer to serve on The Woodlands Township Board of Directors.

Ballots and tally sheet for the Treasurer position are attached hereto as Exhibit "E".

RECEIVE, CONSIDER AND ACT UPON THE FINANCIAL REPORT;

Monique Sharp presented the Financial Report and referred the Board to handout material containing the preliminary General Purpose Statements as of and for the four months ended April 30, 2011. After a review of the combined Financial Statements and Monthly Investment Report, a report on the General Fund Budget vs. Actual was presented. Ms. Sharp then reported on sales tax collections, hotel occupancy tax collections, and property tax collections. Board discussion followed. Chairman Tough then called for a motion and second to approve the Financial Report.

MOTION: Motion as stated by Treasurer Robb; second by Director Campbell

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Campbell
 Director Hausman

Nays: None

Abstentions: None

Absent: Director Blair

ACTION: Motion passed unanimously (6-0).

The Financial Report is attached hereto as Exhibit "F".

RECEIVE, CONSIDER AND ACT UPON AWARD OF BIDS FOR CONSTRUCTION, AUDIO VISUAL EQUIPMENT, VIDEO RECORDING AND HOSTING, ACCESS CONTROL AND CAMERAS, CABLING SERVICES AND FURNITURE REFURBISHMENT RELATED TO THE REMODELING OF 2801 TECHNOLOGY FOREST BOULEVARD;

Chairman Tough called on Damon Palermo, Project Manager, to present this item. Mr. Palermo began his presentation by providing background information on the item as outlined in an Executive Summary followed by a detailed review of the bid process and facts/history of the project. Mr. Palermo also provided an overview of Add Alternates 3 and 8 which address replacing the existing fire sprinklers in the data center with a dry fire suppression system and Add Alternate 11 which addresses the need for dimmable light fixtures for the facility's various conference rooms.

Additionally, Mr. Palermo suggested that if available contingency funds remain, he would recommend adding Alternate 10. This alternate would incorporate the installation of quick connect outlets for a large mobile generator to power the data center in the event that the generator contemplated in the existing plans fails during emergency operations. It was noted that the possibility of adding Alternate 10 would be evaluated over the next 30 days to determine if funding in the amount of \$29,000 would be available through value engineering. William Pham, IT Director for The Woodlands Township, was then called on to provide information and answer questions regarding audio/visual and security aspects of the project. Board discussion followed.

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Chairman Tough then asked Mr. Palermo to recognize staff and project team specialists. A tentative completion date for the project was given as mid October with a potential start date to begin as soon as contracts have been executed. Following discussion, the Chair called for a motion and second to award the following bids for the remodeling of 2801 Technology Forest Boulevard:

1. Construction and Interior Office Renovation to Diamond Commercial Construction in the amount of \$2,296,000.00 in addition to the selection of Add Alternates 3, 8, and 11 for a total of \$27,655.00 or a total contract value of \$2,323,655.00. Note: Add Alternate 10 to be included should contingency funding in the amount of \$29,000.00 becomes available within the next 30 days;
2. Audio-visual design and installation services to Ford Audio-Visual Systems Inc. for \$164,717.36;
3. Access Control and IP-CCTV System to Video Insight, Inc. in the amount of \$77,764.00;
4. Video Recording, Streaming and Hosting Services including the Swagit EASE system to Swagit Productions in the amount of \$39,772.03;
5. Cabling Services to Netversant in the amount of \$68,759.70;
6. Furniture refurbishment to McCoy Workplace Solutions in the amount of \$139,042.66;

and authorize the President/General manager to execute all necessary agreements, contracts and documents related to the award of bids and purchases for the project.

MOTION: Motion as stated by Secretary Hunter; second by Vice Chairman Matthews

VOTE:
Ayes: Chairman Tough
Vice Chairman Matthews
Secretary Hunter
Treasurer Robb
Director Campbell
Director Hausman

Nays: None

Abstentions: None

Absent: Director Blair

ACTION: Motion passed unanimously (6-0).

The Executive Summary and handout material for the above item are attached hereto as Exhibit "G".

RECEIVE, CONSIDER AND ACT UPON ESTABLISHMENT OF A MEETING TIME AND LOCATION FOR THE BOARD OF DIRECTORS OF THE WOODLANDS TOWNSHIP TO REVIEW THE 2012 STRATEGIC PLAN AND BUDGET OBJECTIVES AT THE SPECIAL MEETING SCHEDULED ON JUNE 23, 2011;

Karen Dempsey provided a summary of this item as outlined in an Executive Summary. Ms. Dempsey noted that the proposed meeting time would begin at 8:00 a.m. Directors were asked to block the hours from 8:00 a.m. to 12:00 p.m. in order to allow sufficient time to conduct business. At this point, the following motion was offered:

MOTION: Secretary Hunter moved to start the meeting at 7:30 a.m.; second by Vice Chairman Matthews

VOTE:
Ayes: Chairman Tough
Vice Chairman Matthews
Secretary Hunter
Director Campbell
Director Hausman

Nays: None

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Abstentions: Treasurer Robb

Absent: Director Blair

ACTION: Motion passed (5-0; one abstention).

Board discussion followed. The following motion was then made:

SECOND MOTION: Director Campbell moved to hold the special meeting to review budget objectives for 2012 on Thursday, June 23, 2011 from 7:30 a.m. to 12:00 p.m. at the Township Service Center, 2201 Lake Woodlands Drive; second by Secretary Hunter

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Campbell
 Director Hausman

Nays: None

Abstentions: None

Absent: Director Blair

ACTION: Motion passed unanimously (6-0).

The Executive Summary for the above item is attached hereto as Exhibit "H".

CONSIDERATION OF ITEMS TO BE PLACED ON THE AGENDA FOR THE NEXT MEETING:

- Director Hausman requested that a cost analysis on trolley and water cruisers for ridership with possible revenue considerations be placed as an item on a future agenda.

BOARD ANNOUNCEMENTS:

- None

PUBLIC COMMENT:

- None

ADJOURNMENT

As there was no further business to discuss, Chairman Tough called for a motion and second to adjourn the meeting at 10:39 a.m.

MOTION: Motion as stated by Vice Chairman Matthews; second by Secretary Hunter

VOTE: **Ayes:** Chairman Tough
 Vice Chairman Matthews
 Secretary Hunter
 Treasurer Robb
 Director Campbell
 Director Hausman

Nays: None

Abstentions: None

Absent: Director Blair

ACTION: Motion passed unanimously (6-0).

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Claude Hunter
Secretary, Board of Directors

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EXHIBIT OMISSIONS*

EXHIBIT "A"
EXHIBIT "B"
EXHIBIT "C"
EXHIBIT "D"
EXHIBIT "E"
EXHIBIT "F"
EXHIBIT "G"
EXHIBIT "H"

***To view Exhibits, please contact the Records Management Analyst at 281-210-3800.**

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